



Paul R. Gearheart
President

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Via ECFS

August 14, 2014

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554
Attn: Wireline Competition Bureau

Re: WC Docket No. 10-90
Connect America Phase II Challenge

Dear Ms. Dortch:

Inter Mountain Cable, Inc. (IMC) hereby files a Connect America Phase II Challenge by submitting this letter, Form 505, and accompanying evidence. The Connect America Phase II list of eligible census blocks incorrectly includes census blocks which are already served by IMC.

IMC's services meet the broadband performance and pricing requirements to qualify as an unsubsidized competitor providing service in a price cap carrier's study area. Specifically, IMC provides broadband with speeds at or above 4 Mbps/1 Mbps, with usage allowance equal or greater than 100 GB/month, latency less than 100 ms, and a price that is reasonably comparable to the offerings in urban areas.

Coalfields Telephone - P.O. Box 160 - (606) 478-9401 - (606) 452-9401

Coalfields Long Distance - P.O. Box 159 - (606) 478-9401

Inter Mountain Cable, Inc. - P.O. Box 159 - (606) 478-9406

East Kentucky Internet - P.O. Box 750 - (606) 478-2500

WPRG Channel 5 - P.O. Box 159 - (606) 478-2200

WXLR/WXKZ FM - P.O. Box 1040 - (606) 478-1200

As indicated on IMC's webpage regarding packages and pricing at <http://www.imctv.com/internet/broadband.html> (a copy is included as evidence, file title "IMC broadband pricing"), IMC offerings include a 4 Mbps/1 Mbps broadband connection, the "Basic Plus" package, for the affordable rate of \$49.99 per month. Accordingly, IMC's advertised non-promotional monthly price for a standalone broadband service is below the FCC interim benchmark of \$60, and thereby qualifies as a price that is reasonably comparable to offerings in urban areas.

As indicated on IMC's webpage regarding packages and pricing for bundled services at <http://www.imctv.com/bundles.html> (a copy is included as evidence, file title "IMC bundle pricing"), IMC double-play bundle offerings include an 8 Mbps/1 Mbps broadband connection with unlimited long distance digital phone service, for the affordable rate of \$95.99 per month with a 12-month agreement. Accordingly, IMC's advertised non-promotional monthly price for voice service is below the FCC interim benchmark of \$46.96, and thereby qualifies as a price that is reasonably comparable to offerings in urban areas.

IMC agrees and confirms the FCC's statement in WC Docket No. 10-90 REPORT AND ORDER Adopted: May 16, 2013, which stated, "Putting the burden on unsubsidized competitors to challenge the eligibility of individual census blocks would place an unreasonable burden not only on those providers (many of which are small businesses), but also on the Bureau, which would be faced with the task of quickly processing those filings to avoid delaying Phase II implementation."

Not all of IMC's service areas appear on the National Broadband Map. As indicated on the webpage showing a basic map of IMC's service area at http://inhouse.gearheart.com/gearheart/wp-content/uploads/2011/08/IMC_Service_Area.pdf (a copy is included as evidence, file title "IMC service area map"), IMC serves several areas in Buchanan and Wise Counties in Virginia. In contrast, the map of IMC's service area at <http://www.broadbandmap.gov/provider/wireline/inter-mountain-cable-inc> (a copy is included as evidence, file titled "IMC national broadband map") does not show IMC's service areas in Virginia. IMC secured federal funding in order to extend broadband service into Virginia. Specifically, IMC's "Connect Hurley" project secured the highest USDA Community Connect grant award in the nation in 2009. IMC's "Connect Hurley" project was successfully completed and was even included in the March 2014 GAO Report to Congress (GAO report number GAO-14-203 entitled "Telecommunications: Federal Broadband Deployment Programs and Small Business," released on March 10, 2014). The GAO report stated, "Selected Federally Funded and Municipal Networks Have Improved Broadband Service for Small Businesses: Service Improvements: Federal programs have supported improvements to broadband networks through grants and loans for expansions, upgrades, and building of new networks, according to the service providers we spoke with. Providers expanded their existing networks by laying new fiber optic lines or using other technologies to make broadband available in areas

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that were previously unserved or underserved. For example, Intermountain Cable in eastern Kentucky used a Community Connect grant to expand its broadband network to Hurley, Virginia.” Yet, the National Broadband Map incorrectly does not show IMC serving Hurley or any other areas in Virginia.

In spite of this “unreasonable burden,” IMC has been able to identify some of the census blocks (as listed on Form 505), currently listed incorrectly as eligible, which are in areas that IMC already serves.

IMC appreciates the opportunity to submit this Connect America Phase II Challenge. Please contact the undersigned at 606-479-6254 or jcamp@mis.net with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James Campbell', is positioned above the printed name.

James Campbell, CPA, CFO
Gearheart Communications, Inc. (GCI)

Attached Files:

IMC broadband pricing.pdf

IMC bundle pricing.pdf

IMC service area map.pdf

IMC national broadband map.pdf